What effective general managers really do

They do not function in a crisply defined environment, or direct through formally delineated organizational channels, or systematically set and follow formal plans – in other words, they don't fit the stereotype

John P. Kotter

A rather large gap exists between the conventional wisdom on management functions, tools, and systems on the one hand and actual managerial behavior on the other. The former is usually discussed in terms of planning, controlling, staffing, organizing, and directing; the latter is characterized by long hours, fragmented episodes, and oral communication. Actual behavior, as a study of successful general managers shows, looks less systematic, more informal, less reflective, more reactive, less well organized, and more frivolous than a student of strategic planning systems, MIS, or organizational design would ever expect.

The gap is important and disturbing for many reasons. First of all, it raises serious questions about the kind of formal planning, performance appraisal, and other systems that are commonly in use today. In a similar way, it raises questions about management education, which usually relies heavily on management "theory" and which is currently producing more than 60,000 new MBAs each year. Furthermore, the gap makes it difficult for executives to coach younger managers and makes it hard for them to know how they might improve their own effectiveness.

The study was conducted by John P. Kotter, professor of organizational behavior at the Harvard Business School. This article, which is adapted from his book The General Managers *(Free Press, 1982), is his fourth in HBR. His last article, which he coauthored with John J. Gabarro, "Managing Your Boss," appeared in our January-February 1980 issue and won the McKinsey Award for the second best HBR article of that year.*

Here is a description of a reasonably typical day in the life of a successful executive. The individual in this case is Michael Richardson, the president of an investment management firm.

A.M.	7:35	He arrives at work after a short commute, unpacks his briefcase, gets some coffee, and begins a "to do" list for the day.
	7:40	Jerry Bradshaw, a subordinate, arrives at his office, which is right next to Richardson's. One of Bradshaw's duties is to act as an assistant to Richardson.
	7:45	Bradshaw and Richardson converse about a number of topics. Richardson shows Bradshaw some pictures he recently took at his summer home.
	8:00	Bradshaw and Richardson talk about a schedule and priorities for the day. In the process, they touch on a dozen different subjects and issues relating to customers, and other subordinates.
	8:20	Frank Wilson, another subordinate, drops in. He asks a few questions about a personnel problem and then joins in the ongoing discussion. The discussion is straightforward, rapid, and occasionally punctuated with humor.

Editor's note: All references are listed at the end of the article.

8:30 Fred Holly, the chairman of the firm and Richardson's "boss," stops in and joins in the conversation. He asks about an appointment scheduled for 11 o'clock and brings up a few other topics as well.

8:40 Richardson leaves to get more coffee. Bradshaw, Holly, and Wilson continue their conversation.

8:42 Richardson comes back. A subordinate of a subordinate stops in and says hello. The others leave.

8:43 Bradshaw drops off a report, hands Richardson instructions that go with it, and leaves.

8:45 Joan Swanson, Richardson's secretary, arrives. They discuss her new apartment and arrangements for a meeting later in the morning.

8:49 Richardson gets a phone call from a subordinate who is returning a call from the day before. They talk primarily about the subject of the report Richardson just received.

8:55 He leaves his office and goes to a regular morning meeting that one of his subordinates runs. There are about 30 people there. Richardson reads during the meeting.

9:09 The meeting is over. Richardson stops one of the people there and talks to him briefly.

9:15 He walks over to the office of one of his subordinates, who is corporate counsel. His boss, Holly, is there too. They discuss a phone call the lawyer just received. While standing, the three talk about possible responses to a problem. As before, the exchange is quick and includes some humor.

9:30 Richardson goes back to his office for a meeting with the vice chairman of another firm (a potential customer and supplier). One other person, a liaison with that firm and a subordinate's subordinate, also attends the meeting. The discussion is cordial. It covers many topics, from their products to U.S. foreign relations.

9:50 The visitor and the subordinate's subordinate leave. Richardson opens the adjoining door to Bradshaw's office and asks a question.

9:52 Richardson's secretary comes in with five items of business.

9:55 Bradshaw drops in, asks a question about a customer, and then leaves.

9:58 Frank Wilson and one of his people arrive. He gives Richardson a memo and then the three talk about the important legal problem. Wilson does not like a decision that Richardson has tentatively made and urges him to reconsider. The discussion goes back and forth for 20 minutes until they agree on the next action and schedule it for 9 o'clock the next day.

10:35 They leave. Richardson looks over papers on his desk, then picks one up and calls Holly's secretary regarding the minutes of the last board meeting. He asks her to make a few corrections.

10:41 His secretary comes in with a card for a friend who is sick. He writes a note to go with the card.

10:50 He gets a brief phone call, then goes back to the papers on his desk.

11:03 His boss stops in. Before Richardson and Holly can begin to talk, Richardson gets another call. After the call, he tells his secretary that someone didn't get a letter he sent and asks her to send another.

11:05 Holly brings up a couple of issues, and then Bradshaw comes in. The three start talking about Jerry Phillips, who has become a difficult problem. Bradshaw leads the conversation, telling the others what he has done during the last few days regarding this issue. Richardson and Holly ask questions. After a while, Richardson begins to take notes. The exchange, as before, is rapid and straightforward. They try to define the problem and outline possible alternative next steps. Richardson lets the discussion roam away from and back to the topic again and again. Finally, they agree on a next step.

P.M. 12:00 Richardson orders lunch for himself and Bradshaw. Bradshaw comes in and goes over a dozen items. Wilson stops by to say that he has already followed up on their earlier conversation.

12:10 A staff person stops by with some calculations Richardson had requested. He thanks her and has a brief, amicable conversation.

12:20 Lunch arrives. Richardson and Bradshaw go into the conference room to eat. Over lunch they pursue business and nonbusiness subjects. They laugh often at each other's humor. They end the lunch talking about a potential major customer.

1:15 Back in Richardson's office, they continue the discussion about the customer. Bradshaw gets a pad, and they go over in detail a presentation to the customer. Then Bradshaw leaves.

1:40 Working at his desk, Richardson looks over a new marketing brochure.

1:50 Bradshaw comes in again; he and Richardson go over another dozen details regarding the presentation to the potential customer. Bradshaw leaves.

1:55 Jerry Thomas comes in. He is a subordinate of Richardson, and he has scheduled for the afternoon some key performance appraisals, which he and Richardson will hold in Richardson's office. They talk briefly about how they will handle each appraisal.

2:00 Fred Jacobs (a subordinate of Thomas) joins Richardson and Thomas. Thomas runs the meeting. He goes over Jacobs's bonus for the year and the reason for it. Then the three of them talk about Jacobs's role in the upcoming year. They generally agree and Jacobs leaves.

2:30 Jane Kimble comes in. The appraisal follows the same format as for Fred Jacobs. Richardson asks a lot of questions and praises Kimble at times. The meeting ends on a friendly note of agreement.

3:00 George Houston comes in; the appraisal format is repeated again.

3:30 When Houston leaves, Richardson and Thomas talk briefly about how well they have accomplished their objectives in the meetings. Then they talk briefly about some of Thomas's other subordinates. Thomas leaves.

3:45 Richardson gets a short phone call. His secretary and Bradshaw come in with a list of requests.

3:50 Richardson receives a call from Jerry Phillips. He gets his notes from the 11 o'clock meeting about Phillips. They go back and forth on the phone talking about lost business, unhappy subordinates, who did what to whom, and what should be done now. It is a long, circular, and sometimes emotional conversation. Near the end, Phillips is agreeing with Richardson on the next step and thanking him.

4:55 Bradshaw, Wilson, and Holly all step in. Each is following up on different issues that were discussed earlier in the day. Richardson briefly tells them of his conversation with Phillips. Bradshaw and Holly leave.

5:10 Richardson and Wilson have a light conversation about three or four items.

5:20 Jerry Thomas stops in. He describes a new personnel problem and the three of them discuss it. More and more humor starts coming into the conversation. They agree on an action to take.

5:30 Richardson begins to pack his briefcase. Five people briefly stop by, one or two at a time.

5:45 He leaves the office.

In at least a dozen ways, Richardson's day is typical for a general manager. The daily behavior of the successful GMs I have studied generally conforms to these patterns (see the ruled insert for a description of the study):

1 They spend most of their time with others. The average GM spends only 25% of his working time alone, and this is spent largely at home, on airplanes, or while commuting. Few spend less than 70% of their time with others, and some spend up to 90% of their work time this way.

2 The people they spend time with include many in addition to their direct subordinates and boss. GMs regularly go around the formal chain of command. They also regularly see people who often appear to be unimportant outsiders.

3 The breadth of topics in these discussions is extremely wide. The GMs do not limit their focus to planning, business strategy, staffing, and other "top management concerns." They discuss virtually anything and everything even remotely associated with their businesses and organizations.

4 In these conversations, GMs typically ask a lot of questions. In a half-hour conversation, some will ask literally hundreds.

5 During these conversations, the GMs rarely seem to make "big" decisions.

6 These discussions usually contain a considerable amount of joking and kidding and concern non-work-related issues. The humor is often about others in the organization or industry. Nonwork discussions are usually about people's families, hobbies, or recent outside activities (e.g., golf scores).

7 In not a small number of these encounters, the substantive issue discussed is relatively unimportant to the business or organization. That is, GMs regularly engage in activities that even they regard as a waste of time.

8 In these encounters, the executives rarely give orders in a traditional sense. That is, they seldom "tell" people what to do.

9 Nevertheless, GMs frequently engage in attempts to influence others. However, instead of telling people what to do, they ask, request, cajole, persuade, and intimidate.

10 In allocating their time with others, GMs often react to others' initiatives. Much of the typical GM's day is unplanned. Even GMs who have a heavy schedule of planned meetings often end up spending a lot of time on topics that are not on the official agenda.

11 Most of their time with others is spent in short, disjointed conversations. Discussions of a single question or issue rarely last more than ten minutes. And it is not at all unusual for a GM to cover ten unrelated topics in a five-minute interaction.

12 They work long hours. The average person I have studied works just under 60 hours per week. Not many work fewer than 55 hours per week. Although some of their work is done at home, while commuting to work, or while traveling, they spend most of their time at their places of work.

Basis of the study

Conducted between 1976 and 1981, this study focused on a group of successful general managers in nine corporations. I examined what their jobs entailed, who they were, where they had come from, how they behaved, and how this all varied in different corporate and industry settings.

The participants all had some profit center and multifunctional responsibility. They were located in cities across the United States. They were involved in a broad range of industries, including banking, consulting, tire and rubber manufacture, TV, mechanical equipment manufacture, newspapers, copiers, investment management, consumer products, and still others. The businesses they were responsible for included some doing only $1 million to $10 million in sales, others in the $10 million to $50 million range, the $50 million to $100 million range, the $100 million to $1 billion range, and some doing $1 billion or more. On average, these executives were 47 years old. In 1978, they were paid (on average) about $150,000 (that is, well over $200,000 in 1982 dollars). And all, when selected, were believed to be performing well in their jobs.

Data collection involved three visits to each GM over 6 to 12 months. Each time I interviewed them for at least five hours, often more. I observed their daily routine for about 35 hours, and I interviewed for an hour each the dozen or so key people with whom each worked. The GMs filled out two questionnaires and gave me relevant documents, such as business plans, appointment diaries, and annual reports. From these various sources, I obtained information on the GMs' backgrounds, personalities, jobs, job contexts, behavior, and performance. Because data collection involved considerable effort for each individual, I had to limit the number of GMs selected for study to 15.

I measured the performance of the GMs by combining "hard" and "soft" indexes. The former included measures of revenue and profit growth, both in an absolute sense and compared with plans. The latter included opinions of people who worked with the GMs (including bosses, subordinates, and peers), as well as, when possible, industry analysts. Using this method, I judged most of the GMs to be doing a "very good" job. A few were rated "excellent" and a few "good/fair."

These patterns in daily behavior, which Richardson's day illustrate, are basically consistent with other studies of managerial behavior,[1] especially those of high-level managers.[2] Nevertheless, as Henry Mintzberg has pointed out,[3] this behavior seems hard to reconcile, on the surface at least, with traditional notions of what top managers do (or should do). It is hard to fit the behavior into categories like "planning," "organizing," "controlling," "directing," "staffing," and so on.

And even if one tries, two conclusions surface: (1) The "planning" and "organizing" that these

people do does not seem very systematically done; it seems rather hit or miss, rather sloppy. (2) A lot of behavior ends up being classified as "none of the above." The implication is that these are things that top managers should not be doing. Nevertheless, hit or miss is precisely how planning and organizing manifest themselves in the daily behavior of effective executives, and for perfectly understandable reasons.

How effective executives approach their jobs

To understand why effective GMs behave as they do, it is essential first to recognize the types of challenges and dilemmas found in most of their jobs, the two most fundamental of which are:

Figuring out what to do despite uncertainty, great diversity, and an enormous amount of potentially relevant information.

Getting things done through a large and diverse set of people despite having little direct control over most of them.

The severity of these challenges in complex organizations is much greater than most nonexecutives would suspect. And the implications of these job demands for the traditional management functions of planning, staffing, organizing, directing, and controlling are very powerful.

Exhibit I suggests that the very nature of executive jobs requires a complex and subtle approach to planning, organizing, staffing, and so forth. The approach needs to take into account the uncertainty involved, as well as the diversity and volume of potentially relevant information. It must also come to grips with the difficult human environment; it must somehow help executives get things done despite their dependency on a large number of people, many of whom are not their subordinates.

An examination of effective general managers suggests that they have found just such an approach, a central part of which might be usefully thought of as "agenda setting" and "network building."

Exhibit I Behavioral implications, given the nature of GM jobs, for the traditional management functions

Implications for traditional management functions	**Dilemmas inherent in the job**	
	Figuring out what to do despite great uncertainty, great diversity, and an enormous quantity of potentially relevant information.	**Getting things done** through a large and diverse group of people despite having little direct control over most of them.
Planning	Planning is very difficult to do well in such a context. It requires a lot of time and attention, not just a series of meetings once a year. It requires some good information systems to sort out the noise and focus on essential data.	Planning must be done in a way that does not exacerbate the already very difficult human environment. One must therefore be very careful regarding what is put on paper or said to others.
Staffing and organizing	Some type of sound plan or map is essential, because without it there is no rational basis for "staffing" and "organizing."	The resources one needs to get the job done include many people besides direct subordinates. Hence, some form of "staffing" and "organizing" activity must be aimed at many others and this activity will have to rely mainly on methods other than formal staffing and organizing procedures.
Directing and controlling	Some type of sound plan or map is essential, because without it, it is impossible to know where to direct one's attention among the infinite possibilities. Without it, one cannot know what to direct or control.	A fairly strong set of cooperative relationships to those resources on which one is dependent is essential, or one simply will not be able to "direct" and "control."

Agenda setting

During their first six months to a year in a new job, GMs usually spend considerable time establishing their agendas. Later, they continue to update them but in a less time-consuming process.

Effective executives develop agendas that are made up of loosely connected goals and plans that address their long-, medium-, and short-term responsibilities. The agendas usually address a broad range of financial, product/market, and organizational issues. They include both vague and specific items. *Exhibit II* summarizes the contents of a typical GM's agenda.

Although most corporations today have formal planning processes that produce written plans, GMs' agendas always include goals, priorities, strategies, and plans that are not in these documents. This is not to say that formal plans and the GMs' agendas are incompatible. Generally they are very consistent, but they differ in at least three important ways:

☐ First, the formal plans tend to be written mostly in terms of detailed financial numbers. GMs' agendas tend to be less detailed in financial objectives and more detailed in strategies and plans for the business or the organization.

☐ Second, formal plans usually focus entirely on the short and moderate run (3 months to 5 years), while GMs' agendas tend to focus on a

broader time frame, which includes the immediate future (1 to 30 days) and the longer run (5 to 20 years).

☐ Finally, the formal plans tend to be more explicit, rigorous, and logical, especially regarding how various financial items fit together. GMs' agendas often contain lists of goals or plans that are not as explicitly connected.

Executives begin the process of developing these agendas immediately after starting their jobs, if not before. They use their knowledge of the businesses and organizations involved along with new information received each day to quickly develop a rough agenda – typically, this contains a very loosely connected and incomplete set of objectives, along with a few specific strategies and plans. Then over time, as more and more information is gathered, they incrementally (one step at a time) make the agendas more complete and more tightly connected.

In gathering information to set their agendas, effective GMs rely more on discussions with others than on books, magazines, or reports. These people tend to be individuals with whom they have relationships, not necessarily people in the "appropriate" job or function (e.g., such as a person in the planning function). In this way, they obtain information continuously, day after day, not just at planning meetings. And they do so by using their current knowledge of the business and organization and of management in general to help them direct their questioning, not by asking broad or general questions. In other words, they find ways within the flow of their workdays to ask a few critical questions and to receive in return some information that would be useful for agenda-setting purposes.

With this information, GMs make agenda-setting decisions both consciously (or analytically) and unconsciously (or intuitively) in a process that is largely internal to their minds. Indeed, important agenda-setting decisions are often not observable. In selecting specific activities to include in their agendas, GMs look for those that accomplish multiple goals, that are consistent with all other goals and plans, and that are within their power to implement. Projects and programs that seem important and logical but do not meet these criteria tend to be discarded or are at least resisted.

Almost all effective GMs seem to use this type of agenda-setting process, but the best performers do so to a greater degree and with more skill. For example, the "excellent" performers I have studied develop agendas based on more explicit business strategies that address longer time frames and that include a wider range of business issues. They do so by more aggressively seeking information from others (including "bad news"), by more skillfully asking questions, and by more successfully seeking out programs and projects that can help accomplish multiple objectives at once.[4]

Exhibit II A GM's typical agenda

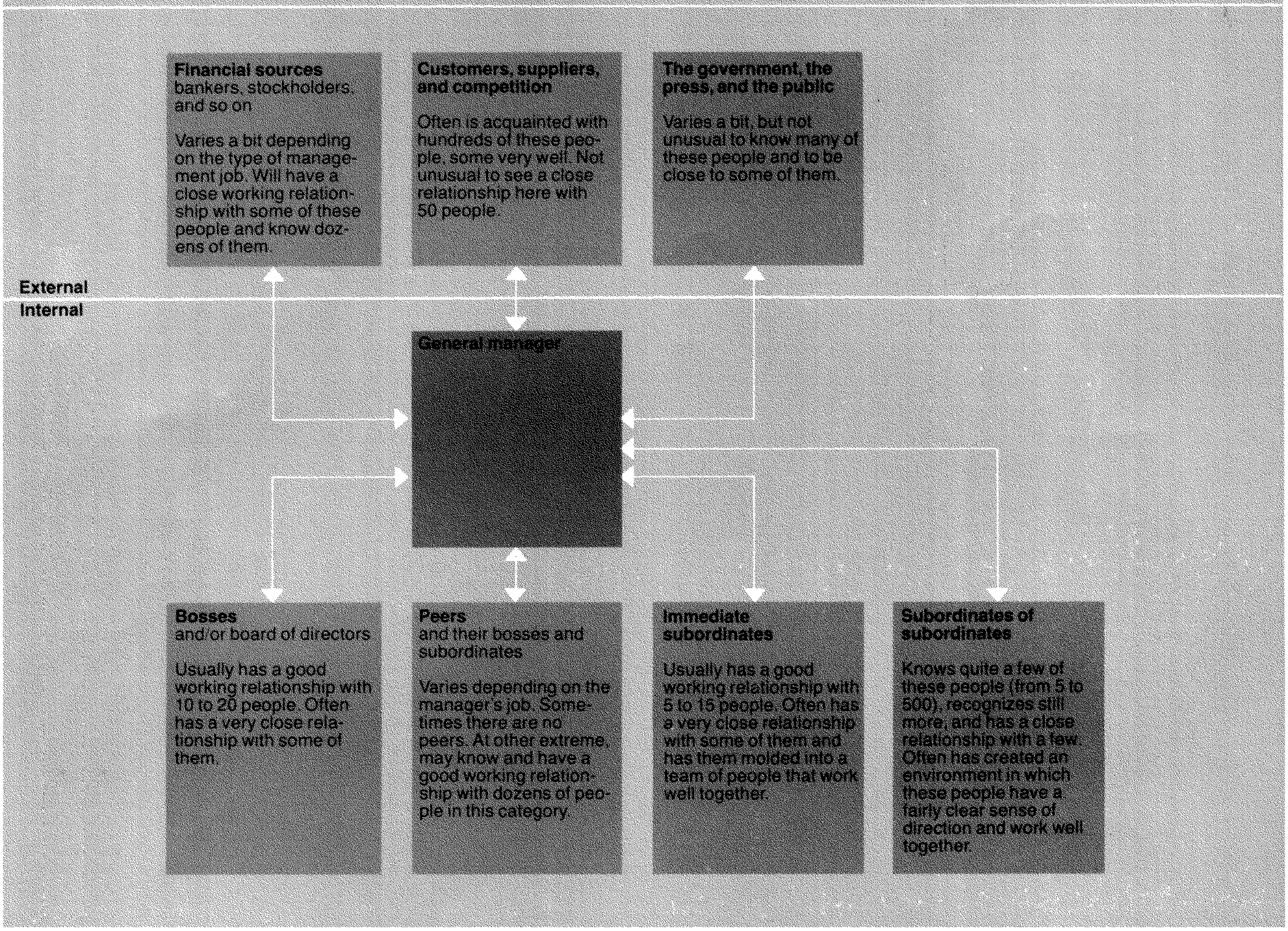
Time frame	Key issues		
	Financial	**Business** product/ market	**Organizational** people
Long run 5 to 20 years	A vague notion of revenues or ROI desired in 10 to 20 years.	Only a vague notion of what kind of business (products and markets) the GM wants to develop.	Vague; sometimes includes a notion about the type of company the GM wants and the caliber of management that will be needed.
Medium run 1 to 5 years	A fairly specific set of goals for sales and income and ROI for the next five years.	Some goals and plans for growing the business, such as: (a) introduce three new products before 1985, and (b) explore acquisition possibilities in the communications industry.	A short list of items, such as: (a) by 1983 we will need a major reorganization, and (b) find a replacement for Corey by 1984.
Short run zero to 12 months	A very detailed list of financial objectives for the quarter and the year in all financial areas: sales, expenses, income, ROI, and so on.	A set of general objectives and plans aimed at such things as: (a) the market share for various products, and (b) the inventory levels of various lines.	A list of items, such as: (a) find a replacement for Smith soon, and (b) get Jones to commit himself to a more aggressive set of five-year objectives.

Network building

In addition to setting agendas, effective GMs allocate significant time and effort when they first take their jobs to developing a network of cooperative relationships among those people they feel are needed to satisfy their emerging agendas. Even after the first six months, this activity still takes up considerable time; but generally, it is most intense during the first months in a job. After that, their attention shifts toward using the networks to both implement and help in updating the agendas.

This network-building activity, as I have observed it and had it described to me, is aimed at much more than just direct subordinates. GMs develop cooperative relationships with and among peers, outsiders, their bosses' boss, and their subordinates' subordinates. Indeed, they develop relationships with (and sometimes among) any and all of the hundreds or even

Exhibit III A typical general manager's network



thousands of people on whom they feel dependent because of their jobs. That is, just as they create an agenda that is different from, although generally consistent with, formal plans, they also create a network that is different from, but generally consistent with, the formal organization structure (see *Exhibit III* for a typical GM's network).

In these large networks, the nature of the relationships varies significantly in intensity and in type; some relationships are much stronger than others, some much more personal than others, and so on. Indeed, to some degree, every relationship in a network is different because it has a unique history, it is between unique people, and so forth.

GMs develop these networks of cooperative relationships using a wide variety of face-to-face methods. They try to make others feel legitimately obliged to them by doing favors or by stressing their formal relationships. They act in ways to encourage others to identify with them. They carefully nurture their professional reputations in the eyes of others. They even maneuver to make others feel that they are particularly dependent on the GMs for resources, or career advancement, or other support.

In addition to developing relationships with existing personnel, effective GMs also often develop their networks by moving, hiring, and firing subordinates. Generally, they do so to strengthen their ability to get things done. In a similar way, they also change suppliers or bankers, lobby to get different people into peer positions, and even restructure their boards to improve their relationship with a needed resource.

Furthermore, they also sometimes shape their networks by trying to create certain types of relationships *among* the people in various parts of the network. That is, they try to create the appropriate "environment" (norms and values) they feel is necessary to implement their agendas. Typically this is an environment in which people are willing to work hard on the GM's agenda and cooperate for the greater good. Although executives sometimes try to create such an environment among peers, bosses, or outsiders, they do so most often among their subordinates.

Almost all effective GMs use this network-building process, but the best performers do so more aggressively and more skillfully. "Excellent" performers, for example, create networks with many talented people in them and with strong ties to and among their subordinates. They do so by using a wide variety of methods with great skill. The "good/fair" performers tend to use fewer network-building methods, employ them less aggressively, and in the process, create weaker networks.[5]

Execution: getting networks to implement agendas

After they have largely developed their networks and agendas, effective GMs tend to shift their attention toward using the networks to implement their agendas. In doing so, they marshal their interpersonal skills, budgetary resources, and information to influence people and events in a variety of direct and indirect ways.

In implementing their agendas, GMs often call on virtually their entire network of relationships to help them. They do not limit their assistance to direct subordinates and a boss; when necessary, they use any and all of their relationships. During my time with GMs, I have seen some of them call on peers, corporate staff people, subordinates reporting three or four levels below them, bosses reporting two or three levels above them, suppliers or customers, even competitors, to help them get something done. There is no category of people that was never used. And in each case, the basic pattern was the same:

> The GM was trying to get some action on items in his agenda that he felt would not be accomplished without intervention on his part.
>
> The people he approached could be of help, often uniquely so.
>
> The people he approached were part of his network.
>
> The GM chose people and an approach with an eye toward achieving multiple objectives at once and doing so without inadvertently disturbing important relationships in the network.

Having approached people, GMs often influence them by simply asking or suggesting that they do something, knowing that because of their relationship with the person, he or she will comply. In some cases, depending on the issue involved and the nature of the relationship, they also use their knowledge and information to help persuade these people. Under other circumstances, they will use resources available to them to negotiate a trade. And occasionally, they even resort to intimidation and coercion.

Effective GMs also often use their networks to exert indirect influence on people, including people who are not a part of that network. In some cases, GMs will convince one person who is in their network to get a second, who is not, to take some needed action. More indirectly still, GMs will sometimes approach a number of different people, requesting them to take actions that would then shape events that influence other individuals. Perhaps the most common example of indirect influence involves staging an event of some sort. In a typical case, the GM would set up a meeting or meetings and influence others through the selection of participants, the choice of an agenda, and often by his own participation.

Unlike the case of direct influence, GMs achieve much of their more indirect influence through symbolic methods. That is, they use meetings, architecture, language, stories about the organization, time, and space as symbols in order to get some message across indirectly.

All effective GMs seem to get things done this way, but the best performers do so more than others and with greater skill. That is, the better performers tend to mobilize more people to get more things done, and do so using a wider range of influence tactics. "Excellent" performers ask, encourage, cajole, praise, reward, demand, manipulate, and generally motivate others with great skill in face-to-face situations. They also rely more heavily on indirect influence than the "good" managers, who tend to rely on a more narrow range of influence techniques and apply them with less finesse.[6]

How the job determines behavior

Most of the visible patterns in daily behavior seem to be direct consequences of the way GMs approach their job, and thus consequences of the nature of the job itself and the type of people involved. More specifically, some of these patterns seem to derive from the approach taken to agenda setting, others from network building, others from how they tend to use networks to implement agendas, and still others from the approach in general.

Spending most of the time with others (pattern 1) seems to be a natural consequence of

the GM's overall approach to the job and the central role the network of relationships plays. As we saw earlier, GMs develop a network of relationships with those the job makes them dependent on and then use that network to help create, implement, and update an organizational agenda. As such, the whole approach to the job involves interacting with people. Hence it should not be surprising to find that on a daily basis, GMs spend most of their time with others.

Likewise, because the network tends to include all those the GM is dependent on, it is hardly surprising to find the GM spending time with many besides a boss and direct subordinates (pattern 2). And because the agenda tends to include items related to all the long-, medium-, and short-run responsibilities associated with the job, it is to be expected that the breadth of topics covered in daily conversations might be very wide (pattern 3).

A few of the other patterns seem to be a direct consequence of the agenda-setting approach employed by GMs. As we saw earlier, agenda setting involves gathering information on a continuous basis from network members, usually by asking questions. That GMs ask a lot of questions (pattern 4) follows directly. With the information in hand, we saw that GMs create largely unwritten agendas. Hence, major agenda-setting decisions are often invisible; they occur in the GM's mind (pattern 5).

We also saw that network building involves the use of a wide range of interpersonal tactics. Since humor and nonwork discussions can be used as effective tools for building relationships and maintaining them under stressful conditions, we should not be surprised to find these tools used often (as we do–pattern 6). Since maintaining relationships requires that one deal with issues that other people feel are important (regardless of their centrality to the business), it is also not surprising to find the GMs spending time on substantive issues that seem unimportant to us and them (pattern 7).

As I indicated earlier, after the initial period on the job the thrust of the GMs' approach is to use their networks to implement their agendas. They do so using a wide variety of direct and indirect influence methods. Ordering is only one of many methods. Under these circumstances, one would expect to find them rarely ordering others (pattern 8) but spending a lot of time trying to influence others (pattern 9).

The efficiency of seemingly inefficient behavior

Of all the patterns visible in daily behavior, perhaps the most difficult to understand, or at least appreciate, are that the executives do not plan their days in advance in much detail but instead react (pattern 10) and that conversations are short and disjointed (pattern 11). On the surface at least, behaving this way seems particularly unmanagerial. Yet these patterns are possibly the most important and efficient of all.

The following is a typical example of the effectiveness and efficiency of "reactive" behavior. On his way to a meeting, a GM bumped into a staff member who did not report to him. Using this opportunity, in a two-minute conversation he: (a) asked two questions and received the information he needed; (b) reinforced their good relationship by sincerely complimenting the staff member on something he had recently done; and (c) got the staff member to agree to do something that the GM needed done.

The agenda in his mind guided the executive through this encounter, prompting him to ask important questions and to request an important action. And his relationship with this member of his network allowed him to get the cooperation he needed to do all this very quickly. Had he tried to plan this encounter in advance, he would have had to set up and attend a meeting, which would have taken at least 15 to 30 minutes, or 750% to 1,500% more time than the chance encounter. And if he had not already had a good relationship with the person, the meeting may have taken even longer or been ineffective.

In a similar way, agendas and networks allow GMs to engage in short and disjointed conversations, which can be extremely efficient. The following set of very short discussions, taken from a day in the life of John Thompson, a division manager in a financial services corporation, is typical in this regard. The conversation occurred one morning in Thompson's office. With him were two of his subordinates, Phil Dodge and Jud Smith:

Thompson: "What about Potter?"

Dodge: "He's OK."

Smith: "Don't forget about Chicago."

Dodge: "Oh yeah." [Makes a note to himself.]

Thompson: "OK. Then what about next week?"

Dodge: "We're set."

Thompson: "Good. By the way, how is Ted doing?"

Smith: "Better. He got back from the hospital on Tuesday. Phyllis says he looks good."

Thompson: "That's good to hear. I hope he doesn't have a relapse."

Dodge: "I'll see you this afternoon." [Leaves the room.]

Thompson: "OK. [To Smith.] Are we all set for now?"

Smith: "Yeah." [He gets up and starts to leave.]

Lawrence: [Steps into the doorway from the hall and speaks to Thompson.] "Have you seen the April numbers yet?"

Thompson: "No, have you?"

Lawrence: "Yes, five minutes ago. They're good except for CD, which is off by 5%."

Thompson: "That's better than I expected."

Smith: "I bet George is happy."

Thompson: [Laughing.] "If he is, he won't be after I talk to him."

[Turner, Thompson's secretary, sticks her head through the doorway and tells him Bill Larson is on the phone.]

Thompson: "I'll take it. Will you ask George to stop by later? [Others leave and Thompson picks up the phone.] Bill, good morning, how are you?...Yeah....Is that right?...No, don't worry about it.... I think about a million and a half.... Yeah....OK....Yeah, Sally enjoyed the other night too. Thanks again.... OK....Bye."

Lawrence: [Steps back into the office.] "What do you think about the Gerald proposal?"

Thompson: "I don't like it. It doesn't fit with what we've promised Corporate or Hines."

Lawrence: "Yeah, that's what I thought too. What is Jerry going to do about it?"

Thompson: "I haven't talked to him yet. [He turns to the phone and dials.] Let's see if he's in."

This dialogue may seem chaotic to an outsider, but that's only because an outsider does not share the business or organizational knowledge these managers have and does not know Thompson's agenda. That is, an outsider would not know who Potter, Ted, Phyllis, Bill Larson, Sally, Hines, or Jerry are, or what exactly "Chicago," "April numbers," "CD," or the "Gerald proposal" refer to. Nor would an outsider know what role Potter or Hines plays in Thompson's agenda. But to someone with that knowledge, the conversations make sense.

But more important, beyond being "not chaotic," these conversations are in fact amazingly efficient. In less than two minutes Thompson accomplished all of the following:

1 He learned that Mike Potter agreed to help on a particular problem loan. That problem, if not resolved successfully, could have seriously hurt Thompson's plan to increase the division's business in a certain area.

2 He reminded one of his managers to call someone in Chicago in reference to that loan.

3 He found out that the plans for the next week, about that loan, were all set. These included two internal meetings and a talk with the client.

4 He learned that Ted Jenkins was feeling better after an operation. Ted worked for Thompson and was an important part of Thompson's plans for the direction of the division over the next two years.

5 He found out that division income for April was on budget except in one area, which reduced pressures on him to focus on monthly income and to divert attention away from an effort to build revenues in one area.

6 He initiated a meeting with George Masolia to talk about the April figures. Thompson had been considering various future alternatives for the CD product line, which he felt must get on budget to support his overall thrust for the division.

7 He provided some information (as a favor) to Bill Larson, a peer in another part of the bank. Larson had been very helpful to Thompson in the past and was in a position to be very helpful in the future.

8 He initiated a call to Jerry Wilkins, one of his subordinates, to find out his reaction to a proposal from another division that would affect Thompson's division. He was concerned that the proposal could interfere with the division's five-year revenue goals.

In a general sense, John Thompson and most of the other effective GMs I have known are, as one HBR author recently put it, "adept at grasping and taking advantage of each item in the random succession of time and issue fragments that crowd [their] day[s]."[7] This seems to be particularly true for the best performers. And central to their ability to do so are

their networks and agendas. The agendas allow the GMs to react in an opportunistic (and highly efficient) way to the flow of events around them, yet knowing that they are doing so within some broader and more rational framework. The networks allow terse (and very efficient) conversations to happen; without them, such short yet meaningful conversations would be impossible. Together, the agenda and networks allow the GMs to achieve the efficiency they need to cope with very demanding jobs in fewer than 60 hours per week (pattern 12), through daily behavior patterns that on the surface can look "unmanagerial."

What should top managers do?

Some of the most important implications of all this include the following:

1 At the start, putting someone in a GM job who does not know the business or the people involved, because he is a successful "professional manager," is probably very risky. Unless the business is easy to learn, it would be very difficult for an individual to learn enough, fast enough, to develop a good agenda. And unless it is a small situation with few people involved, it would be difficult to build a strong network fast enough to implement the agenda.

Especially for large and complex businesses, this condition suggests that "growing" one's own executives should have a high priority. Many companies today say that developing their own executives is important, but in light of the booming executive search business, one has to conclude that either they are not trying very hard or that their efforts simply are not succeeding.

2 Management training courses, both in universities and in corporations, probably overemphasize formal tools, unambiguous problems, and situations that deal simplistically with human relationships.

Some of the time-management programs, currently in vogue, are a good example of the problem here. Based on simplistic conceptions about the nature of managerial work, these programs instruct managers to stop letting people and problems "interrupt" their daily work. They often tell potential executives that short and disjointed conversations are ineffective. They advise that one should discipline oneself not to let "irrelevant" people and topics get on one's schedule. In other words, they advise people to behave differently from the effective executives in this study. Seminars on "How to Run Meetings" are probably just as bad.

Another example of inappropriate courses is university-based executive training programs that emphasize formal quantitative tools. These programs are based, at least implicitly, on the assumption that such tools are central to effective performance. All evidence suggests that while they are sometimes relevant, they are hardly central.

3 People who are new in general management jobs can probably be gotten up to speed more effectively than is the norm today. Initially, a new GM usually needs to spend considerable time collecting information, establishing relationships, selecting a basic direction for his or her area of responsibilities, and developing a supporting organization. During the first three to six months, demands from superiors to accomplish specific tasks, or to work on pet projects, can often be counterproductive. Indeed, anything that significantly diverts attention away from agenda setting and network building can prove to be counterproductive.

In a more positive sense, those who oversee GMs can probably be most helpful initially if they are sensitive to where the new executive is likely to have problems and help him or her in those areas. Such areas are often quite predictable. For example, if people have spent their careers going up the ladder in one function and have been promoted into the general manager's job in an autonomous division (a common occurrence, especially in manufacturing organizations), they will probably have problems with agenda setting because of a lack of detailed knowledge about the other functions in the division.

On the other hand, if people have spent most of their early careers in professional, staff, or assistant-to jobs and are promoted into a GM's job where they suddenly have responsibility for hundreds or thousands of people (not an unusual occurrence in professional organizations), they will probably have great difficulty at first building a network. They don't have many relationships to begin with and they are not used to spending time developing a large network.

In either case, a GM's boss can be a helpful coach and can arrange activities that foster instead of retard the types of actions the new executive should be taking.

4 Finally, the formal planning systems within which many GMs must operate probably hinder effective performance.

A good planning system should help a GM create an intelligent agenda and a strong network that can implement it. That is, it should encourage the GM to think strategically, to consider both the long and short term, and, regardless of the time frame, to

take into account financial, product/market, and organizational issues. Furthermore, it should be a flexible tool that the executive can use to help build a network. It should give the GM leeway and options, so that, depending on what kind of environment among subordinates is desired, he or she can use the planning system to help achieve the goals.

Unfortunately, many of the planning systems used by corporations do nothing of the sort. Instead, they impose a rigid "number crunching" requirement on GMs that often does not require much strategic or long-range thinking in agenda setting and which can make network building and maintenance needlessly difficult by creating unnecessary stress among people. Indeed, some systems seem to do nothing but generate paper, often a lot of it, and distract executives from doing those things that are really important.

References

1 Such as Sune Carlson, *Executive Behavior: A Study of the Work Load and the Working Methods of Managing Directors* (Stockholm, Sweden: Strombergs, 1951); Thomas Burns, "Management in Action," *Operational Research Quarterly,* vol. 8, 1957; Rosemary Stewart, "To Understand the Manager's Job: Consider Demands, Constraints, Choices," *Organizational Dynamics,* Spring 1976, p. 22; Michael Cohen and James March, *Leadership and Ambiguity* (New York: McGraw-Hill, 1974); R. Dubin and S.L. Spray, "Executive Behavior and Interaction," *Industrial Relations,* 1964, vol. 3, p. 99; and E. Brewer and J.W.C. Tomlinson, "The Manager's Working Day," *Journal of Industrial Economics,* 1964, vol. 12, p. 191.

2 See Morgan McCall, Ann Morrison, and Robert Hannan, "Studies of Managerial Work: Results and Methods," Technical Report No. 9, (Greensboro, N.C.: Center for Creative Leadership, 1978). This excellent report summarizes dozens of different studies ranging from Sune Carlson's groundbreaking work in 1951 to recent work by Mintzberg, Stewart, and others.

3 See "The Manager's Job: Folklore or Fact," HBR July-August 1975, p. 49.

4 Although these patterns are not widely recognized in today's conventional wisdom on management, there is evidence from other studies that GMs and other top managers do use such a process. See, for example, James Brian Quinn, *Strategies for Change: Logical Incrementalism* (Homewood, Ill.: Richard D. Irwin, 1980); Henry Mintzberg, *The Nature of Managerial Work* (New York: Harper & Row, 1973); H. Edward Wrapp, "Good Managers Don't Make Policy Decisions," HBR September-October 1967, p. 91; Charles Lindblom, "The Science of 'Muddling Through,'" *Public Administration Review,* vol. 19, 1959, p. 79; James March and Herbert Simon, *Organizations* (New York: John Wiley, 1958); Chester Barnard, *The Functions of the Executive* (Cambridge: Harvard University Press, 1939); Rosemary Stewart, "Managerial Agendas–Reactive or Proactive," *Organizational Dynamics,* Autumn 1979, p. 34; Frank Aguilar, *Scanning the Business Environment* (New York: Macmillan, 1967); and Michael McCaskey, "A Contingency Approach to Planning: Planning with Goals and Planning without Goals," *Academy of Management Journal,* June 1974, p. 91.

5 Although there is not a great deal of supporting evidence elsewhere, some does exist that is consistent with these findings. See, for example, John F. Gabarro, "Socialization at the Top–How CEOs and Their Subordinates Evolve Interpersonal Contacts," *Organizational Dynamics,* Winter 1979, p. 2; Jeffrey Pfeffer and Jerry Salancik, "Who Gets Power and How They Hold on to It," *Organizational Dynamics,* Winter 1977, p. 2; my article, "Power, Dependence, and Effective Management," HBR July-August 1977, p. 125; Melville Dalton, *Men Who Manage* (New York: John Wiley, 1959); and Richard Tanner Pascale and Anthony G. Athos, *The Art of Japanese Management* (New York: Simon & Schuster, 1981).

6 Once again, this type of behavior has been recognized and discussed in some management literature, but not in a great deal of it. See recent work by Thomas J. Peters and Jeffrey Pfeffer, in particular. For example, see Thomas J. Peters, "Symbols, Patterns, and Settings: An Optimistic Case for Getting Things Done," *Organizational Dynamics,* Autumn 1978; and Jeffrey Pfeffer, "Management as Symbolic Action," in *Research in Organizational Behavior,* vol. 3, L.L. Cummings and Barry M. Staw, ed. (Greenwich, Conn.: JAI Press, 1980). Also, see M. Andrew Pettigrew, *The Politics of Organizational Decision Making* (London: Tavistock Publications, 1973); and my article, "Power, Dependence, and Effective Management," HBR July-August 1977, p. 125.

7 Thomas J. Peters, "Leadership: Sad Facts and Silver Linings," HBR November-December 1979, p. 164.